

Federal Income Tax Credit

<http://www2.cr.nps.gov/tps/tax/index.htm>

20% of the rehabilitation expenses could be credited to the owner's federal income taxes.

- The credit only applies to income-producing buildings, such as a business or rental apartments.
- Credit is not available for properties used exclusively as the owner's private residence or for projects whose cost of substantial completion is less than \$5,000.
- The owner must complete and submit a Historic Preservation Certification Application and a fee, unless the renovation cost is under \$20,000. The forms are available at the following website:
<http://www2.cr.nps.gov/tps/tax/hpcappl.htm>
- All applications are to be sent to the State National Historic Preservation Office (two copies must be submitted).

For additional information contact:

Ann Andrus
Department of Historic Resources
2801 Kensington Avenue
Richmond, VA 23221
(804) 367-2323 ext. 133

State Income Tax Credit

<http://www.dhr.virginia.gov>

25% of the rehabilitation expenses could be credited to the owner's state income taxes.

- The credit applies for owner-occupied and income-producing buildings.
- The owner must complete and submit all three parts of the Virginia Tax Credit Application and a fee. The forms are available at the following website:
http://www.dhr.virginia.gov/tax_credits/tax_credit_forms.htm

For additional information contact:

Ann Andrus, Director
Capital Regional Preservation Office
(804) 367-2323 ext. 133

Notice:

Applicants for either income tax credit should consult an accountant, tax attorney, or other professional tax advisor, or contact the Internal Revenue Service to determine whether these incentives pertain to their own situation.

If you have questions about the tax credits or if you are interested in participating in the program, please contact:

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Rehabilitation Tax Credits

for

Buildings in Hopewell's

City Point and Downtown

Historic Districts

Building owners could be eligible for a rehabilitation tax credit on their federal and/or state income taxes.

“The amount of the credit is based on total rehabilitation costs. The federal credit is 20% of eligible rehabilitation expenses; the state credit is 25%. In some cases, taxpayers can qualify under both programs, allowing them to claim credits of 45% of their eligible rehabilitation expenses.”